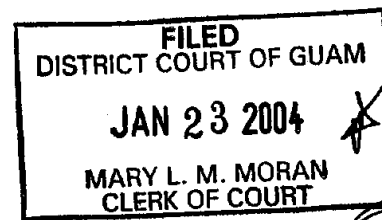


LAW OFFICES OF BRONZE & TANG

A Professional Corporation
BankPacific Building, 2nd Floor
825 South Marine Drive
Tamuning, Guam 96913
Telephone: (671) 646-2001
Facsimile: (671) 647-7671



Attorneys for Defendant
Hongkong and Shanghai Banking Corporation, Ltd.

DISTRICT COURT OF GUAM

ALAN SADHWANI, LAJU
SADHWANI, and K. SADHWANI'S
INC., a Guam corporation,

Plaintiffs,

v.

HONGKONG AND SHANGHAI
BANKING CORPORATION, LTD.,
et al.,

Defendants.

CIVIL CASE NO. 03-00036

**DECLARATION OF JACQUES G.
BRONZE IN SUPPORT OF MOTION
TO DISMISS**

I, JACQUES G. BRONZE, hereby declare and state as follows:

1. All matters herein are based on my own personal knowledge.
2. I am over 18 years of age, and legally competent to testify to the facts below and I do so based upon my own personal knowledge.
3. I am the counsel of record for Hongkong and Shanghai Banking Corporation, Ltd., ("HSBC"), in the above-entitled matter.
4. Attached as Exhibit "A," is a true and correct copy of the Assignment of Mortgage which was a part of HSBC's pre-discovery disclosures.

5. Attached as Exhibit "B," is a true and correct copy of the Assignments of Rental Income which was a part of HSBC's pre-discovery disclosures.

6. Attached as Exhibit "C," is a true and correct copy of the letter to K. Sadhwani's Inc. which was a part of HSBC's pre-discovery disclosures .

7. All of the attached Exhibits were part of the pre-discovery disclosures served on Plaintiff's counsel on December 12, 2003.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

EXECUTED this 22nd day of January 2004.



JACQUES G. BRONZE

Recording requested by THE)
HONGKONG AND SHANGHAI)
BANKING CORPORATION, LTD.)
and PARADISE MARINE)
CORPORATION. After)
recording, deliver copies to)
PARADISE MARINE)
CORPORATION, P.O.Box 8246,)
Tamuning, Guam 96931.)
The real property affected by this)
Instrument is registered land, the)
name of the registered owner(s))
being)
_____)
_____)
and the number of the certificate of)
last registration being)
No. _____)

(Space Above This Line for Recorder's Use Only)

ASSIGNMENT OF MORTGAGES

KNOW ALL MEN BY THESE PRESENTS that The Hongkong and Shanghai Banking Corporation Limited (hereinafter called "Assignor"), whose Guam address is 744 North Marine Drive, Upper Tumon, Guam 96913, for value received from Paradise Marine Corporation, a corporation incorporated under the laws of the Territory of Guam (hereinafter called "Assignee") whose Guam address is P.O.Box 8246, Tamuning Guam 96931, does hereby assign, transfer and convey to Assignee, its successors and assigns, the following described mortgages:

///

A. Description of Mortgages:

Handwritten signature

Mortgagee: The Hongkong and Shanghai Banking
Corporation Limited
436 South Marine Drive
Tamuning, Guam 96913

Mortgagor: K.SADHWANI'S, INC.

Date of Mortgage: 22 April 1985
Recordation No.: 358080
(Department of Land Management)

Date of Mortgage: 16 December 1986
Recordation No.: 379308
(Department of Land Management)

Date of Addendum to Mortgage
Revised Indebtedness: 20 November 1987
Recordation No.: 392344
(Department of Land Management)

Date of Addendum to Mortgage
Revised Indebtedness: 20 November 1987
Recordation No.: 392345
(Department of Land Management)

Date of Second Leasehold Mortgage: 20 November 1987
Recordation No.: 392342
(Department of Land Management)

Date of Leasehold Mortgage: 31 March 1988
Recordation No.: 396505
(Department of Land Management)

Date of Second Amendment to Mortgage: 30 March 1989
Recordation No.: 415174
(Department of Land Management)

Date of Mortgage: 15 December 1989
Recordation No.: 427132
(Department of Land Management)

Date of Mortgage: 30 August 1990
Recordation No.: 440892
(Department of Land Management)

Date of First Addendum: 30 August 1990
Recordation No.: 440893
(Department of Land Management)

Date of Second Addendum: 21 August 1991
Recordation No.: 459108
(Department of Land Management)

Date of Third Addendum: 6 March 1992
Recordation No.: 467452
(Department of Land Management)

Date of Fourth Addendum: 6 August 1992
Recordation No.: 475186
(Department of Land Management)

Date of Fifth Addendum: 30 November 1995
Recordation No.: 537987
(Department of Land Management)

Date of Sixth Addendum: 31 December 1997
Recordation No.: 575582
(Department of Land Management)

Date of Seventh Addendum: 9 March 1998
Recordation No.: 579678
(Department of Land Management)

Property Description:

- 1) **TICK-TOCK BUILDING**
LOT NUMBERS 2023-2-1-1 & 2023-2-1-R1,
MUNICIPALITY OF TAMUNING, formerly of Dededo,
TERRITORY OF GUAM, ESTATE NUMBER 60525,
SUBURBAN, as said lots are marked and designated on
Drawing Number 083-01, as L.M. Check Number 164 FY 83,
as described in that Parceling Survey of Basic Lot 2023-2-1,
dated May 6, 1983 and recorded May 19, 1983 in the
Department of Land Management, Government of Guam, under
Document Number 338024. Containing an area of
approximately 412 \pm square meters as to Lot Number 2023-2-1-
1 and 653 \pm square meters as to Lot Number 2023-2-1-R1. Said
property is registered property and the Last Certificate of Title

Number being 74211 as to Lot Number 2023-2-1-1 and 5964 as to Lot Number 2053-2-1-R1.

LOT NUMBER 2025-4 (SUBDIVISION OF LOT NUMBER 2025), MUNICIPALITY OF TAMUNING, formerly of Dededo, ESTATE NUMBER 67, SUBURBAN, as said lot is described in Sketch 94, and recorded on April 5, 1956 in the Department of Land Management, Government of Guam, under Document Number 30954. Containing an area of approximately 484.77 \pm square meters. Said property is registered property and the Last Certificate of Title Number being 34224.

Lot Numbers 2025-4, 2023-2-1-1 and 2023-2-1-R1 have been consolidated and redesignated as follows:

LOT NUMBER 2025-4NEW, (Consolidation of Lot No. 2023-2-1-1, 2023-2-1-R1, 2025-4 and adjoining old trail), MUNICIPALITY OF TAMUNING, formerly of Dededo, TERRITORY OF GUAM, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER L-874, as L.M. CHECK NUMBER 139 FY 86, as described in that Consolidation Survey and Land Registration, dated April 4, 1986 and recorded April 7, 1986 at the Department of Land Management, Government of Guam under Document No. 370138. Containing an area of 1,673.43 \pm square meters of 18,013 \pm square feet. Last certificate of title numbers being 34224 (Basic Lot 2025-4, Est#67) issued in the name of Gee Dee Enterprises, Inc., 74211 (Basic Lot 2023-2-1-1, Est#60505) issued in the name of K. Sadhwani=s Inc., and 5967 (Basic Lot 2023-2-1/2023-2-1-R1) issued in the name of Luis Palomo Perez.

2) SHARP PLAZA BUILDING

LOT NUMBER 2141-1-3NEW, MUNICIPALITY OF TAMUNING, formerly of Dededo, TERRITORY OF GUAM, ESTATE NUMBER 9783, SUBURBAN, as said lot is marked and designated on Drawing Number LCJ67T102, as L.M. Check Number 191 FY 68, as described in that Consolidation and Parceling Lot 2141-1, dated December 5, 1967 and recorded March 18, 1968 in the Department of Land Management, Government of Guam, under Document Number 85108. Containing an area of approximately 1254.36 \pm square meters. Said property is registered property and the Last

Certificate of Title Number being 54417, issued in the name of Footstep Incorporated..

LOT NUMBER 2141-1-1-R1, MUNICIPALITY OF TAMUNING, formerly of Dededo, TERRITORY OF GUAM, ESTATE NUMBER 6681, SUBURBAN, as said lot is marked and designated on Drawing Number LCJ67T102, recorded March 18, 1968 in the Department of Land Management, Government of Guam, under Document Number 85108. Containing an area of approximately 1,227.25 \pm square meters. Said property is registered property and the Last Certificate of Title Number being 54418, issued in the name of Footstep Incorporated.

3) MOGFOG

LOT NUMBERS 10054-6, 10054-7, 10054-8, and 10054-R8, (SUBDIVISION OF LOT NUMBER 10054-5), MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, ESTATE NUMBERS 22790, 22791, 22793, and 22792, SUBURBAN, as said lots are marked and designated on Drawing Number SDC130373, as L.M. Check Number 605 FY 73, as described in that Agricultural Subdivision of Lot 10054-R3, dated April 12, 1973 and recorded August 3, 1973 under Document Number 226809. Containing an area of approximately 12,318 \pm square meters as to Lot Number 10054-6; 20,590 \pm square meters as to Lot Number 10054-7; 8,272 square meters as to Lot Number 10054-8 and 10,320 \pm square meters as to Lot Number 10054-R8. Said property is registered property and the Last Certificate of Title Number being 83147 as to Lot Number 10054-6; 83148 as to Lot Number 10054-7; 83149 as to Lot Number 10054-8 and 83150 as to Lot Number 10054-R8, all issued in the name of Dynasty Development Corporation.

4) SATRENA MALL BUILDING

Lease of the below described real property from Calvo Finance Corporation, a Guam corporation, as landlord to Jones and Guerrero Company, Inc., which lease is dated March 22, 1972, recorded August 25, 1972, in the Department of Land Management, Government of Guam, under Document Number 115460, as assigned to Calvo Enterprises, Inc., by that Warranty Deed with Assumption of Mortgage and Assignment of Lease

dated May 12, 1983, and recorded May 31, 1983, as Document Number 338246, having been assigned to K. Sadhwani's Inc., as lessee by an Assignment Agreement dated June 24, 1987, a Notice of Assignment having been recorded July 1, 1987, as Instrument Number 387003.

Said lease being of Lot Numbers 16 and 19, Block Number 10, Tract Number 100C, Dededo, South Acre Agriculture Subdivision, located in the Municipality of Dededo, Territory of Guam, each containing an area of 1 acre \pm .

Which lots have been consolidated and designated as follows:

LOT NUMBER 2, TRACT NUMBER 217 (formerly known as Lot No. T100C, B10, L16 & 19), MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER RRV87-16BBA, as L.M. CHECK NUMBER 273 FY 87, as described in that Retracement Survey Map, dated July 2, 1987 and recorded July 6, 1987, at the Department of Land Management, Government of Guam, under Instrument Number 387109, containing an area of 8,094 \pm square meters. Last certificate of title number being 11208 issued in the name of Government of Guam.

5) DONALDS MART

(i) That Lease Agreement by and between Josephina P. Castro, Landlord, and Remedios M. Domingo, Tenant, dated November 24, 1976 and recorded March 18, 1977 in the Office of the Recorder, Department of Land Management, Government of Guam, as Document Number 277783, as assigned by that Assignment of Lease between Remedios M. Domingo, Assignor and Bonifacio L. and Virginia G. Jose, Assignee, dated February 14, 1979 and recorded on May 14, 1979 under Document Number 302289, as further assigned by that Assignment of Lease to K. Sadhwani's Inc. and recorded March 14, 1988 as Document Number 395651;

Which lease is of Lot Number 2136#1-9-1, Estate Number 8949, Suburban, Tamuning, Municipality of Dededo, Territory of Guam, as said lot is marked and designated on Drawing Number ISL10-65D391, dated November 12, 1965 and recorded in the Department of Land Management, Government of Guam, on May 11, 1966 under Document Number 75987. Containing an area of approximately 990.86 \pm square meters.

Said property is registered property and the Last Certificate of Title Number being 104288, issued in the names of Josephine C. Parenteau, Angelica C. Leon Guerrero, H.O. June C. Bermudez, namely Angel N. Bermudez-Castro, Rony C. Bermudez and Michael C. Bermudez.

(ii) That Lease Agreement by and between Beatrice S.N. Perez, Landlord, and Remedios M. Domingo, Tenant, dated October 16, 1976 and recorded November 15, 1977 in the Office of the Recorder, Department of Land Management, Government of Guam, as Document Number 273543, as assigned by that Assignment of Lease between Remedios M. Domingo, Assignor and Bonifacio L. and Virginia G. Jose, Assignee, recorded in the Department of Land Management under Document Number 307561; as further assigned by that Assignment of Lease to K. Sadhwani's Inc. dated March 1, 1988 and recorded March 14, 1988 as Document Number 395652;

Which lease is of:

LOT NUMBER 2136#1-8-1, ESTATE NUMBER 9754, SUBURBAN, TAMUNING, MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, as said lot is marked and designated on Drawing Number ISL10-65D391, dated November 12, 1965 and recorded in the Department of Land Management, Government of Guam on May 11, 1966 under Document Number 75987. Containing an area of approximately 988.98 \pm square meters. Said property is registered property and the Last Certificate of Title Number being 20135.

LOT NUMBER 2136#1-7, ESTATE NUMBER 22014, SUBURBAN, TAMUNING, MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, as said lot is marked and designated on Drawing Number ISL10-65D391, dated November 12, 1965 and recorded in the Department of Land Management, Government of Guam on May 11, 1966 under Document Number 75987. Containing an area of approximately 906.98 \pm square meters. Said property is registered property and the Last Certificate of Title Number being 34880.

Lot Numbers 2136#1-7 and 2136#1-8 have been consolidated and designated as follows:

LOT NUMBER 2136#1-8-1NEW, (Parceling Lot 2136#1-7 and 2136#1-8 and Consolidation of Lot 2136#1-7-1 and 2136#1-8-1

into 2136#1-8-1NEW), MUNICIPALITY OF TAMUNING, GUAM, ESTATE NUMBER 65417, SUBURBAN, as said Lot is marked and designated on DRAWING NUMBER CC-8902D, L.M. CHECK NUMBER 138 FY 89, as dated August 14, 1989 and recorded August 14, 1989 under Document Number 421351. Containing an area of 622.73 +/- square meters, last certificate of title number being 86608, issued in the name of Beatrice S.N. Perez.

6) **TOVES WAREHOUSE**

Lot Numbers A & B, (Portion of Lot 2140-5), MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, SUBURBAN, as said Lots are marked and designated on Drawing Number 116 T6 3D, as recorded August 8, 1967, in the Department of Land Management, Government of Guam, under Document Number 81293, containing an area of 305 +/- square meters or 5,471 +/- square feet. SAID LOT NUMBER A & B, (Portion of Lot No. 2140-REM), are integral parts of Basic Lot 2140-5 described as follows:

LOT NUMBER 2140-5, (Subdivision of Lot No. 2140-REM), MUNICIPALITY OF DEDEDO, TERRITORY OF GUAM, ESTATE NUMBER 557655, SUBURBAN, as said Lot is marked and designated on Drawing Number 03-0280, as L.M. Check No. 158 FY 90, dated March 24, 1980 and recorded March 26, 1980 in the Department of Land Management, Government of Guam, under Document Number 310934:

Last Certificate of Title Number: 67798 (Basic 2140-5)

Said lots are sometimes referred to as Lot No. 2140-5-3 and 2140-5-R3, respectively.

7) **HSBC BUILDING**

Lot Number 2104-6NEW, (Consolidation of Lot 2104-9-R1 & 2104-6), MUNICIPALITY OF TAMUNING, (formerly of Dededo), TERRITORY OF GUAM, SUBURBAN, as said Lot is marked and designated on Drawing Number L-1096, as L.M. Check Number 032 FY 91, as described in that Consolidation Survey of L2104-6NEW, dated November 30, 1990 and recorded December 6, 1990, in the Department of Land Management, Government of Guam, under Document Number 445994, containing an area of 3,195.96 +/- square meters or 34,401 +/- square feet. Last Certificate of Title Number being 8949 (Basic Lot 2104-6; Est.#9594) in the name of Antonia C. Quitugua, and 66111 (Basic Lot 2104-9-R1); Est#56972) issued in the name of Vicente Laguana Iriarte.

Which mortgages were given for the purpose of securing money due and to become due and other obligations (collectively, the "Obligations") to Assignor, which Obligations have been assigned to Assignee by a separate Assignment Agreement.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed this 11 day of August, 2003

ASSIGNOR:

THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED

By: 

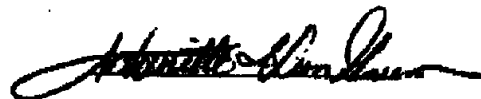
J.C. Underwood
Its Manager - Guam

GUAM, U.S.A.)
) ss:
Municipality of Tamuning)

On this 11 day of August, 2003, before me, a notary public in and for the Guam, U.S.A. personally appeared J.C. UNDERWOOD, known to me to be the person who executed the foregoing ASSIGNMENT OF MORTGAGE, and acknowledged to me that he/she executed the same as MANAGER - GUAM of THE HONGKONG AND SHANGHAI BANKING CORPORATION, LTD., a corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

)SEAL(



ANTOINETTE T. LEON GUERRERO
NOTARY PUBLIC
In and For Guam, U.S.A.
My Commission Expires: Jul. 10, 2006
P.O. Box 2036 Hagatna, Guam 96902



**ASSIGNMENT OF RIGHTS
TO RECEIVE RENTAL INCOME**

This Assignment is dated August 11th, 2003, and is by The Hongkong and Shanghai Banking Corporation, Limited, hereafter called the "Bank", to and for the benefit of Paradise Marine Corporation, hereafter called the "Assignee."

FOR AND IN CONSIDERATION of \$10.00 and other valuable consideration received, the Bank hereby assigns, transfers, grants and gives over to the Assignee all rents, receivables, and monies, and all rights, title and interest that the Bank has, may have, and has the right to receive as a result of, or arising out of the following document:

ASSIGNMENT OF RENTAL INCOME, dated December 31, 1997, as recorded
in the Department of Land Management, Government of Guam
under instrument no. 575538.

Further, the Bank hereby assigns, transfers, grants and gives over to the Assignee all rents, receivables, and monies, and all rights, title and interest that the Bank has, or may have, and has the rights to receive as a result of, or arising out of the loans from Bank to K. Sadhwani's Inc. shall hereafter belong to the Assignee. All rights to the rents, receivables and monies shall be subject to the terms and conditions of the loans originally from Bank to K. Sadhwani's Inc.

This Assignment has been made as of the date as stated above.

The Hongkong and Shanghai Banking
Corporation, Limited

By: 

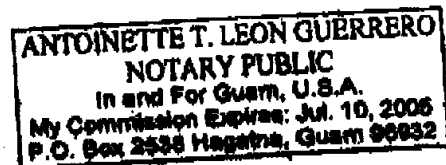
I.C. Underwood
Its Manager-Guam

Territory of Guam)
 (ss.:
City of Hagatña.)

On this 11 day of August, 2003 before me, a notary public in and for Guam, personally appeared I.C. Underwood, known to me to be the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same as the Manager-Guam of The Hongkong and Shanghai Banking Corporation, Limited.

WITNESS my hand and official seal.


Notary Public





11 August 2003

K.Sadhwani's Inc.
371 South Marine Drive
Tamuning, Guam 96911

Dear Mr. Sadhwani

I refer to my letter of 15 July 2003.

I am pleased to inform you that on Monday 11th August 2003 your loan was sold to Paradise Marine Corporation. The terms and conditions of your loan remain unchanged, but Paradise Marine Corporation will contact you shortly and let you know where to make your payments.

Yours sincerely

A handwritten signature in black ink, appearing to be "I.C. Underwood", written over a horizontal line.

I.C. Underwood
Manager Guam